

SCOPING NOTICE

QUESTAR EXPLORATION AND PRODUCTION COMPANY YEAR-ROUND DRILLING PROPOSAL FOR THE PINEDALE ANTICLINE

Bureau of Land Management Pinedale Field Office

Questar Exploration and Production Company and Wexpro Company (jointly referred to as Questar) has notified the Bureau of Land Management (BLM) Pinedale Field Office that it proposes to conduct a limited year-round drilling program within its contiguous block of existing leases, which lie within big game crucial winter range in the Pinedale Anticline Project Area (PAPA). Seasonal restrictions to protect big game, sage grouse, and other sensitive species' habitats were stipulated in the July 2000 Record of Decision (ROD) for the Pinedale Anticline Environmental Impact Statement (EIS). Questar proposes for BLM to allow year-round drilling on a site-specific basis. This notice is to inform the public that the BLM will be preparing a supplemental Environmental Assessment (EA) for this limited year-round drilling proposal. The supplemental EA will be tiered to the 2000 Pinedale Anticline EIS.

DESCRIPTION OF PROPOSED MODIFICATION

Questar proposes to conduct year-round drilling on selected sites within its existing leases in Townships 32 and 33 North, Range 109 West. In the four years since implementation of the Pinedale Anticline ROD, Questar has determined that its leases in the PAPA hold significant energy reserves and that full field development is required to develop those reserves. As part of the proposal, Questar would implement new technologies and opportunities in directional (pad) drilling and well completions and construct a pipeline to transport condensate from its leases within the PAPA. Condensate is currently being trucked off-site year-round. Questar's proposal, dated April 15, 2004, is on file with the BLM Pinedale Field Office and is available for public review.

Pursuant to the July 2000 ROD, Questar has constructed 52 well pads containing 76 producing wells and has submitted Applications for Permit to Drill another 42 wells on those well pads. Questar proposes to construct 9 additional well pads and expand selected existing pads for a total of 61 well pads with up to 16 wells to be drilled per pad. By utilizing extensive directional drilling, Questar anticipates a total of 225 to 430 wells will be drilled from the 61 pads. The size of the well pad would be determined by the number of wells drilled (16 wells on one pad would require a maximum area of 15 acres of initial surface disturbance). Questar proposes to occupy 3 well pads each winter for the next 9 years and operate 2 drilling rigs from each of the 3 well pads.

In this proposal, Questar is applying for a right-of-way (ROW) grant to construct a 104-mile pipeline to transport condensate from the PAPA to Questar's Blacks Fork Plant located in NESW of Section 10, Township 18 North, Range 112 West. The proposed pipeline would cross two state highways, numerous roads, Union Pacific railroad tracks, potentially nine historic trails, and the New Fork, Green, Hams Fork, and Blacks Fork rivers. In addition, Questar would also construct a pipeline gathering system within the PAPA to transport the condensate to the 104-mile pipeline. These pipelines would all be buried and the surface reclaimed. The need for condensate storage on the well pads would be reduced with construction of the condensate pipeline and pipeline gathering system. Questar estimates that the condensate pipeline, together with a separate pipeline to remove produced water, would potentially eliminate more than 25,500 tanker truck trips annually within Questar's leases at peak production.

With multiple wells per pad (pad drilling), Questar's proposal would reduce the total number of well pads and the overall surface disturbance within its leases in the PAPA. Questar maintains that the proposal must be approved in its entirety in order to be economically feasible. Sites for year-round drilling would be selected in consultation with BLM and the Wyoming Game and Fish Department (WGFD). As part of the proposal, Questar would facilitate habitat enhancement on its leases adjoining but outside the development area in cooperation with BLM and WGFD. Questar also proposes to bus drilling crews to

the well pads during winter and to haul materials to the winter drilling sites in bulk to further reduce impacts associated with human disturbance. Questar anticipates that year-round drilling will provide more stability to the local economy compared to the seasonal spike which currently occurs from May to October each year.

COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

The Pinedale Anticline ROD approved 700 producing well pads within the PAPA. Drilling was allowed on federal lands and minerals only between May 1 and November 14 within big game crucial winter range. Questar's entire leasehold on the Pinedale Anticline lies within big game crucial winter range. Various additional seasonal restrictions associated with other sensitive wildlife habitats also apply on a site-specific basis which could limit drilling activities between March 1 and July 31. In compliance with NEPA, BLM will prepare a supplemental EA tiered to the Pinedale Anticline EIS to analyze the environmental impacts associated with Questar's proposal for limited year-round drilling and construction of a condensate pipeline. BLM has initiated a Memorandum of Understanding with Questar to begin the preparation of a supplemental EA using a third party contractor.

LAND AND RESOURCE MANAGEMENT ISSUES AND CONCERNS

Land and resource management issues and concerns associated with Questar's Year-Round Drilling Proposal that would be considered in the supplemental EA include:

- Potential impacts to federally-listed threatened and endangered species.
- Potential impacts to BLM-sensitive plant and animal species.
- Potential impacts to sage grouse, breeding, nesting, and wintering habitat.
- Potential impacts to Sublette mule deer crucial wintering habitat and other crucial winter ranges.
- Potential impacts to Sublette antelope herd migration and other migration routes.
- Potential impacts to range resources.
- Potential impacts on cultural resources (prehistoric and historic resources).
- Potential social and economic effects to the local communities.
- Potential transportation impacts.
- Potential impacts to surface and groundwater resources.
- Potential impacts to air quality and air quality related values.
- Potential impacts to visual resources.
- Revegetation and restoration of short-term disturbances and long-term stabilization, and control of noxious weeds.

PUBLIC PARTICIPATION

We invite you to review Questar's proposal for limited year-round drilling and a condensate pipeline and submit written comments. All issues raised in written comments submitted by mail or email will aid BLM in identifying alternatives and assuring all issues are analyzed in the supplemental EA. Your comments, questions or concerns are encouraged and welcomed. According to the Council on Environmental Quality (CEQ) regulations that implement the National Environmental Policy Act (NEPA), the purpose of the scoping process is to assist the federal agency in identifying issues and concerns with the proposed action (40 CFR 1501.7). The regulations further direct the federal agency to consider those issues and concerns as the alternatives to the Proposed Action are developed, and during the analysis of environmental impacts from the Proposed Action and alternative actions.

We ask that your comments be constructive, relate directly to this proposal and impending supplemental EA, that you be as specific as possible, and that you cite any data or other information that you believe would assist BLM in developing the most realistic range of alternative actions and the best-informed environmental impact analysis.

Although public opinions for or against a proposal are of interest, often they are not useful for developing alternatives or conducting the environmental impact analysis. Submitting opinions or preferences can be more helpful if accompanied by the data- or information-based rationale for that opinion or preference.

To be fully considered, comments **must be RECEIVED in the Pinedale BLM office (NOT be postmarked) by close of business (4:45pm) on August 20, 2004.** Written comments must be provided via mail or email or can be delivered to the BLM-Pinedale office at 432 E. Mill Street, Pinedale, Wyoming. Faxes will not be accepted. Please send your comments to:

Questar Year-Round Drilling Proposal
Bureau of Land Management
Pinedale Field Office
P.O. Box 768
Pinedale, WY 82941

or

WYMail_Questar_Proposal@blm.gov

For more information, contact Carol Kruse at 307-367-5352 or at the above email address.

This notice has been sent to those individuals, industries, organizations, media, and federal, state, and local government entities who participated in the original NEPA process.